



CITY OF HUNTINGTON BEACH
Community Services Department

To Planning Commission

From Jim B. Engle, Director, Community Services

Date November 13, 2007

Subject **Proposed Senior Center Costs**

I have been asked to respond to questions concerning the operating budget for the proposed senior center. The following information was pulled out of public PowerPoint presentation on the LPA study prepared on the need for a new center, potential size/amenities, locations, design/construction costs and operating/revenue potential. LPA based the operating and revenue projection on its research into other senior centers. City Council will determine which of the proposed activities will be implemented. For example, renting class rooms/meeting rooms in the center to community groups may not happen. LPA included that type of use because a senior center would normally be available for that type of usage.

Financial Analysis

Total New Cost Recovery Potential

		Average	
Probable Operating Costs	\$738,000	\$671,000	\$604,000
Revenue Potential	\$655,000	\$717,000	\$779,000
Net Revenue/Subsidy	(\$83,000)	\$ 46,000	\$175,000

	Costs	Revenues
Current Center Budget	\$857,838	\$416,280

Overview: New + Current Cost Recovery

		Average	
Annual Net Revenue Subsidy (after expenses)			
New Ctr. Net Revenue/Subsidy (\$83,000)	(\$ 46,000)		\$175,000
Current Center Net Subsidy (\$441,000)	(\$441,000)		(\$441,000)
Total Net Subsidy	(\$524,558)	(\$395,558)	(\$266,558)

JBE:cr

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